

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

PURDUE PHARMA L.P., *et al.*,

Debtors.¹

Chapter 11

Case No. 19-23649

(Jointly Administered)

**ELEVENTH MONTHLY FEE STATEMENT OF GRANT THORNTON LLP FOR:
(I) ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES
INCURRED FOR RETENTION AS CONSULTANTS TO DEBTORS FOR THE PERIOD
JULY 1, 2022 TO JULY 31, 2022; AND (II) PAYMENT OF ACCRUED BUT UNPAID
INVOICES FOR SERVICES PERFORMED IN THE ORDINARY COURSE OF
DEBTORS' BUSINESS THROUGH JULY 31, 2022**

Name of Applicant:

Grant Thornton LLP (“Grant Thornton”)

Authorized to Provide Professional
Services to:

Debtors

Date of Retention:

April 28, 2021 (*nunc pro tunc* to January 20, 2021)
for Tax Consulting Services and **September 28,
2021** for Employee Tax Analysis and Valuation
Services (effective September 1, 2021), all of which
are services provided to Debtors by Grant Thornton
in connection with the Plan (as further identified and
defined below, the “Plan Services”)

¹ The Debtors in these cases, along with the last four digits of each Debtor’s registration number in the applicable jurisdiction, are as follows: Purdue Pharma L.P. (7484), Purdue Pharma Inc. (7486), Purdue Transdermal Technologies L.P. (1868), Purdue Pharma Manufacturing L.P. (3821), Purdue Pharmaceuticals L.P. (0034), Imbrium Therapeutics L.P. (8810), Adlon Therapeutics L.P. (6745), Greenfield BioVentures L.P. (6150), Seven Seas Hill Corp. (4591), Ophir Green Corp. (4594), Purdue Pharma of Puerto Rico (3925), Avrio Health L.P. (4140), Purdue Pharmaceutical Products L.P. (3902), Purdue Neuroscience Company (4712), Nayatt Cove Lifescience Inc. (7805), Button Land L.P. (7502), Rhodes Associates L.P., Paul Land Inc. (7425), Quidnick Land L.P. (7584), Rhodes Pharmaceuticals L.P. (6166), Rhodes Technologies (7143), UDF L.P. (0495), SVC Pharma L.P. (5717) and SVC Pharma Inc. (4014). The Debtors’ corporate headquarters is located at One Stamford Forum, 201 Tresser Boulevard, Stamford, CT 06901.

Period for Which Compensation and Reimbursement is Sought (“Fee Period”):

For the Plan Services: July 1, 2022 through July 31, 2022

For OCB Tax Services (as defined below):
Accrued but unpaid invoices for services performed in the ordinary course of Debtors’ business through July 31, 2022

Amount of Compensation Sought as Actual, Reasonable and Necessary for Plan Services:

\$3,710.00

Amount of Expense Reimbursement Sought as Actual, Reasonable and Necessary for Plan Services:

\$380.20

Amount of Compensation Sought as Actual, Reasonable and Necessary for Tax Services Provided to the Debtors in the Ordinary Course of Business (as further identified and defined below, the “OCB Tax Services”):

\$4,921.25

Total Compensation (80%) and Expenses (100%) for Plan Services, Plus Total Compensation (100%) for OCB Tax Services Requested in this Eleventh MFS:

\$5,301.45

INTRODUCTION

Pursuant to sections 327, 330 and 331 of chapter 11 of title 11 of the United States Code, Rule 2016 of the Federal Rules of Bankruptcy Procedure, Rule 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York, the *Order Authorizing the Retention and Employment of Grant Thornton LLP as Tax Restructuring Consultants for the Debtors Nunc Pro Tunc to January 20, 2021* [Docket No. 2760] (the “**Retention Order**”), the “*Order Authorizing the Supplemental Retention and Employment of Grant Thornton LLP by the Debtors for Tax Analysis and Valuation Services Effective September 1, 2021* [Docket No. 3831] (the “**Supplemental Retention Order**”), and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained*

Professionals, dated November 21, 2019 [Docket No. 529] (the “**Interim Compensation Order**”), Grant Thornton submits this *Eleventh Monthly Fee Statement of Grant Thornton LLP for: (I) Allowance of Compensation and Reimbursement of Expenses Incurred for Retention as Consultants to Debtors for the Period July 1, 2022 to July 31, 2022; and (II) Payment of Accrued But Unpaid Invoices for Services Performed in the Ordinary Course of Debtors’ Business Through July 31, 2022* (this “**Eleventh MFS**”).

SUMMARY OF SERVICES PROVIDED AND GRANT THORNTON’S RETENTION

A. Services Provided by Grant Thornton in the Ordinary Course of the Debtors’ Business Unrelated to the Bankruptcy Case

1. Prior to September 15, 2019 (the “**Petition Date**”), the Debtors engaged Grant Thornton to provide tax-related services pursuant to the terms and conditions of that certain master agreement, dated June 1, 2018 (the “**MSA**”), and other related statements of work executed in connection therewith.

2. As previously disclosed in the Retention Order, the Debtors retained Grant Thornton after the Petition Date to continue to provide certain tax-related services to assist the Debtors in the ordinary course of their business operations (the “**OCB Tax Services**”), which work consisted of the following services:

- a. Sales and Use Tax Compliance Services: On August 11, 2020, the Debtors and Grant Thornton entered into that certain *Statement of Work for Sales and Use Tax Return Preparation Services*, pursuant to which Grant Thornton was retained to assist the Debtors with the generation of sales, use and other transactional tax returns by providing tax return compliance services. That August 11, 2020 statement of work was subsequently replaced and superseded

by that certain *Statement of Work for Sales and Use Tax Return Preparation Services*, dated March 2, 2021.

- b. 2020 and 2021 Tax Preparation Services: On December 7, 2020, the Debtors and Grant Thornton entered into that certain *Statement of Work for Tax Compliance Services*, pursuant to which Grant Thornton was retained to prepare the Debtors' federal and state tax returns, including extension calculations and estimated tax payments, for the 2020 taxable year, which work has been completed. On January 20, 2022, the Debtors and Grant Thornton entered into that certain *Statement of Work for Tax Compliance Services*, pursuant to which Grant Thornton was retained to prepare the Debtors' federal and state tax returns, including extension calculations and estimated tax payments, for the 2021 taxable year.
- c. Global Mobility Services: On June 18, 2020, the Debtors and Grant Thornton entered into that certain *Statement of Work for Global Mobility Services*, pursuant to which Grant Thornton was retained to provide tax compliance and consulting services for disclosures, review and execution related to United States and United Kingdom tax returns for the years 2015 through 2019. Such services included, among other things: (i) discovery of over-reporting of income; (ii) consultation on the approach to amendments; (iii) preparation of adjusted compensation figures for necessary years; (iv) preparation of tax equalization settlements for necessary years; (v) discussions on processes and filings with the Debtors and David Lundie; and (vi) assistance with responses to IRS and HMRC notices. On April 15, 2021, the Debtors and Grant Thornton

entered into that certain *Statement of Work for GMS Compliance Services*, pursuant to which Grant Thornton's engagement to provide Global Mobility Services was extended to the 2020 and 2021 tax years.

3. Because the OCB Tax Services were being provided in the ordinary course of the Debtors' business and were unrelated to the administration of the bankruptcy cases, Grant Thornton understood that it was not necessary for it to be retained in these bankruptcy cases and that payment on account of such OCB Tax Services would be paid consistent with past practices and in the ordinary course of the Debtors' ongoing business operations. Thus, prior to approval of Grant Thornton's retention with respect to the Plan Services (as further described below), the OCB Tax Services, including the billing and payment process, were not subject to the Interim Compensation Order or other fee procedures applicable to professionals retained in these bankruptcy cases.

B. Services for Which Grant Thornton was Subsequently Retained by Debtors Directly Relating to the Debtors' Plan Confirmation Efforts

4. In January 2021, the Debtors requested that Grant Thornton provide additional tax structuring services that directly related to the development of the Debtors' chapter 11 plan of reorganization in these bankruptcy cases (the "**Plan**"), including certain complicated tax related implications of the new entity ("**Newco**") anticipated to be created in the bankruptcy reorganization. As a result of this requested expansion in the scope of work being provided, on or about January 20, 2021, Grant Thornton and the Debtors entered into that certain *Statement of Work for Tax Structuring Services* (the "**Tax Structuring Plan-Related SOW**").

5. On April 13, 2021, the Debtors filed the *Application of Debtors for Authority to Retain and Employ Grant Thornton LLP as Tax Structuring Consultants to the Debtors Nunc Pro*

Tunc to January 20, 2021 [Docket No. 2636], and the Court entered the Retention Order on April 28, 2021.

6. In August 2021, the Debtors requested that Grant Thornton further expand the scope of its retention and provide additional services related to their Plan confirmation efforts. Specifically, the Debtors and Grant Thornton entered into the *Statement of Work for Advisory Services*, dated August 25, 2021 (the “**Valuation Services Plan-Related SOW**”), pursuant to which Grant Thornton was retained, subject to Court approval, to provide valuation advisory services to the Debtors relating to the Plan and the formation of the Newco as provided therein. The Debtors and Grant Thornton also entered into the *Statement of Work for Employment Tax Services & State Corporate Income/Franchise Tax Nexus Analysis Services*, dated August 26, 2021 (the “**Tax Analysis Plan-Related SOW**”), pursuant to which Grant Thornton was retained, subject to Court approval, to provide tax analysis for certain employment and other tax issues relating to the Plan and formation of the Newco as provided therein.

7. On September 10, 2021, the Debtors filed the *Application of Debtors for Authority to Supplement Retention and Employment of Grant Thornton LLP for Tax Analysis and Valuation Services Effective September 1, 2021* [Docket No. 3761], and the Court entered the Supplemental Retention Order on September 28, 2021.

8. Pursuant to the Retention Order and the Supplemental Retention Order, compensation and reimbursement for the services provided under the Tax Structuring Plan-Related SOW, the Valuation Services Plan-Related SOW and the Tax Analysis Plan-Related SOW (collectively, the “**Plan Services**”) are subject to, and must be in compliance with, the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Rules, and any other

applicable procedures and orders of the Court for allowance of monthly, interim and final fee applications.

SUMMARY OF REQUESTED COMPENSATION FOR THE FEE PERIOD

9. By this Eleventh MFS, Grant Thornton seeks compensation and reimbursement of expenses in the total amount of \$5,301.45, which is composed of:

- a. Compensation and Reimbursement for Plan Services: Compensation and reimbursement of expenses in the total amount of \$3,348.20 on account of: (i) compensation in the amount of \$2,968.00, representing 80% of the total amount of reasonable compensation for actual, necessary Plan Services that Grant Thornton incurred during the Fee Period in the amount of \$3,710.00; plus (ii) reimbursement in the amount of \$380.20, representing 100% of the total amount of actual, reasonable and necessary expenses incurred by Grant Thornton during the Fee Period.
- b. Compensation for OCB Tax Services: Compensation in the total amount of \$4,921.25, representing 100% of the total amount of reasonable compensation for actual, necessary OCB Tax Services that Grant Thornton has incurred during the Fee Period. Because of Grant Thornton's retention in these bankruptcy cases by order entered April 28, 2021, out of an abundance of caution and for purposes of full disclosure, Grant Thornton is including in this Eleventh MFS the outstanding amount owed in the ordinary course of business for which payment has not yet been made relating to the OCB Tax Services.

ITEMIZATION OF SERVICES RENDERED AND DISBURSEMENTS INCURRED

10. Attached hereto as **Exhibit A** is a chart of the number of hours expended and fees incurred (on an aggregate basis) by Grant Thornton consultants during the Fee Period with respect to each project category billed to the Plan Services. As reflected in **Exhibit A**, Grant Thornton consultants expended a total of 5.0 hours and incurred \$3,710.00 in fees during the Fee Period in connection with the Plan Services. Pursuant to this Eleventh MFS, Grant Thornton seeks reimbursement for 80% of such fees, totaling \$2,968.00.

11. Attached hereto as **Exhibit B** is a chart of Grant Thornton consultants that billed time to the Plan Services, including the standard hourly rate for each consultant who rendered Plan Services to the Debtors in connection with these chapter 11 cases during the Fee Period, and the title, hourly rate, aggregate hours worked and the amount of fees earned by each consultant. The blended hourly billing rate of consultants for all Plan Services (including hours spent on fixed fee matters, if any) provided during the Fee Period is \$742.00.

12. Attached hereto as **Exhibit C** is a chart of necessary and out-of-pocket expenses incurred by Grant Thornton in the amount of \$380.20 in connection with providing professional services during the Fee Period and seeking compensation for such services in these bankruptcy cases. In connection with Grant Thornton's retention in these bankruptcy cases, at the Debtors' request, Grant Thornton utilized its own outside bankruptcy counsel to assist Grant Thornton with its retention and fee approval procedures. Pursuant to the Retention Order:

“Grant Thornton's reimbursable expenses may include the reasonable and necessary actual, documented out-of-pocket costs, fees, disbursements, and other charges of Grant Thornton's external legal counsel (without the need for such legal counsel to be retained as a professional in the chapter 11 cases); provided, that, if Grant Thornton seeks reimbursement from the Debtors for attorneys' fees and expenses pursuant to the Engagement Agreement, the invoices and supporting time records for the attorneys' fees and expenses shall be included in Grant Thornton's own applications, both interim and final, and these invoices and time records shall be subject to the approval of the *[sic]* Court pursuant to sections 330 and 331 of the Bankruptcy Code, but without regard to whether

such attorneys have been retained under section 327 of the Bankruptcy Code, and without regard to whether such attorneys' services satisfy section 330(a)(3)(C) of the Bankruptcy Code."

Retention Order, ¶ 4. In accordance with the Retention Order, **Exhibit C** includes the invoices and supporting time records for Grant Thornton's outside legal counsel that constitute the reasonable and necessary actual, documented out-of-pocket costs, fees, disbursements, and other charges incurred by Grant Thornton in connection with utilizing such external legal counsel.

13. Attached hereto as **Exhibit D1** are the time records of Grant Thornton for the Fee Period organized by month and project category with a daily time log describing the time spent by each consultant during the applicable Fee Period in connection with the Plan Services. **Exhibit D2** are copies of Grant Thornton's invoices relating to such time records.

14. Attached as **Exhibit E** are invoices for the total amount of reasonable compensation for actual, necessary OCB Tax Services that Grant Thornton incurred covering the Fee Period. In light of Grant Thornton's retention in these bankruptcy cases by order entered April 28, 2021, out of an abundance of caution and for purposes of full disclosure, Grant Thornton is including this disclosure of outstanding amounts owed in the ordinary course of business for which payment has not yet been received relating to the OCB Tax Services.

Notice

15. The Debtors will provide notice of this Eleventh MFS in accordance with the Interim Compensation Order. Grant Thornton submits that no other or further notice be given.

WHEREFORE, Grant Thornton, in connection with services rendered on behalf of the Debtors, respectfully requests compensation in the aggregate amount of \$5,301.45, composed of:

(i) \$2,968.00, which is equal to 80% of the total amount of reasonable compensation for actual, necessary consulting services that Grant Thornton incurred during the Fee Period (*i.e.*, \$3,710.00) on account of the Plan Services; plus (ii) 100% of the actual, reasonable and necessary expenses for which Grant Thornton seeks reimbursement on account of the Plan Services in the amount of \$380.20; plus (iii) 100% of the total amount of reasonable compensation in the amount of \$4,921.25 for actual, necessary OCB Tax Services that Grant Thornton incurred through July 31, 2022.

September 6, 2022
New York, NY

GRANT THORNTON LLP



Raymond Werth
Partner, Grant Thornton LLP
757 Third Ave., 9th Floor
New York, NY 10017
Telephone: (212) 599-0100

EXHIBIT A

**SUMMARY OF PLAN SERVICES BY CATEGORY
(For Fee Period July 1, 2022 through July 31, 2022)**

Time Category	Category Descriptions	Exhibit	Total Billed Hours	Total Fees Incurred
Employee Tax Services: Payroll Tax Support (Hourly Fees)	This category includes activities associated with preparation of state and local payroll tax registration, update and closure forms, preparation of payroll tax matrix, coordination with Ceridian, preparation of successorship memo, etc.	D1	5.0	\$3,710.00
TOTAL			5.0	\$3,710.00

EXHIBIT B

**SUMMARY OF HOURLY PLAN SERVICES BY PROFESSIONAL
(For Fee Period July 1, 2022 through July 31, 2022)**

LAST NAME	FIRST NAME	TITLE	TOTAL HOURS	HOURLY RATE	TOTAL COMPENSATION
Arazi	Albert	Senior Manager	1.0	\$650.00	\$650.00
Bellovin	Hal	Managing Director	4.0	\$765.00	\$3,060.00
TOTAL			5.0		\$3,710.00

EXHIBIT C

SUMMARY OF OUT OF POCKET EXPENSES AND SUPPORTING INVOICES

<u>CATEGORY</u>	<u>AMOUNT</u>
External Legal Counsel (See Attached Supporting Invoices)	\$380.20
TOTAL	\$380.20



Sklar Kirsh, LLP
1880 Century Park East, Suite 300
Los Angeles, CA 90067
(310) 845-6416 MAIN
accounting@sklarkirsh.com
Tax I.D. 37-1711630

Grant Thornton, LLP
Attn: Chris Stathopoulos
171 N. Clark Street, Suite 200
Chicago, IL 60601
chris.stathopoulos@us.gt.com; Liz.Piechnik@us.gt.com

August 4, 2022

Invoice #51620

Due Upon Receipt

For Professional Services Rendered Through July 31, 2022

Matter: Purdue Pharma - Legal Services

<u>Date</u>	<u>Initials</u>	<u>Description</u>	<u>Hours</u>	<u>Rate</u>	<u>Amount</u>
07/07/2022	KKF	Drafted emails to C. McDonald and T. Nobis re filed 9th MFS.	0.10	\$625.00	\$62.50
07/26/2022	KKF	Exchanged correspondence with B. Angstandt, S. Cho and A. Xi re: 10th MFS.	0.20	\$625.00	\$125.00
07/27/2022	ASB	Assembled all invoices and listed outstanding documents for preparation of Monthly Fee Statement.	0.50	\$350.00	\$175.00
For professional services rendered			0.8 hrs		\$362.50

Matter: Purdue Pharma - Expenses

<u>Date</u>	<u>Description</u>	<u>Amount</u>
06/30/2022	Pacer - Pacer charges from 4/1/2022 - 6/30/2022	\$17.70
Total Charges		\$17.70
SUBTOTAL		\$380.20
Total amount of this bill		\$380.20
Previous balance		\$14,862.50
Total Payments and Adjustments		\$0.00
Balance due upon receipt		\$15,242.70

Timekeeper Summary

Name	Initials	Title	Hours	Rate	Amount
Kelly K. Frazier	KKF	Of Counsel	0.30	\$625.00	\$187.50
Amy S. Bender	ASB	Paralegal	0.50	\$350.00	\$175.00

EXHIBIT D1

DETAILED TIME ENTRIES FOR PLAN SERVICES

(Project Category: *Employee Tax Services: Payroll Tax Support (Hourly Fees)*)

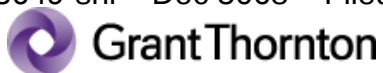
Professional	Title	Date of Service	Hours Charged	Hourly Rate	Total Compensation	Description
Bellovin, Hal	Managing Director	7/11/2022	2.00	\$765.00	\$1,530.00	Various phone calls with Purdue team to discuss registration forms
Arazi, Albert	Senior Manager	7/18/2022	1.00	\$650.00	\$650.00	Assistance with Company Owned Vehicle payroll questions
Bellovin, Hal	Managing Director	7/27/2022	2.00	\$765.00	\$1,530.00	Review of summary matrix for registration forms and discussion on next steps for emergence
TOTAL			5.0		\$3,710.00	

EXHIBIT D2

INVOICES FOR PLAN SERVICES

The following is a summary of the invoices relating to Plan Services provided by Grant Thornton during the Fee Period. Copies of the actual invoices are attached.

GT Invoice No.	Total Amount	Invoice Date	Service Period	Plan Service Provided
954014727	\$3,710.00	8/30/2022	July 1-31, 2022	Employee Tax Services
Total:	\$3,710.00			



Grant Thornton LLP
186 Wood Ave S # 4
Iselin, NJ 08830-2725

T 732.516.5500
F 732.516.5502
www.GrantThornton.com

This address should be used for correspondence only
For all payments, kindly use remittance instructions below

To: Purdue Pharma L.P.
201 Tresser Boulevard
Stamford, CT 06901-3431

Date: August 30, 2022

Bill Number: 954014727

Client-Assignment Code: 0200102-00017

Fees for professional services from July 1, 2022 to July 31, 2022 related to:

1) Payroll tax support based on hourly rates:

- a. Out of scope discussions on company owned vehicles
 - b. Discussions on registration forms and next steps for emergence
- \$ 3,710.00

Total Amount of Bill:

\$ 3,710.00

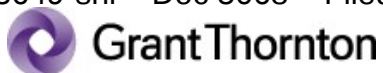
Terms: As agreed upon
Federal ID No. 36-6055558

EXHIBIT E

INVOICES FOR OCB TAX SERVICES

The following is a summary of the invoices relating to OCB Tax Services for which Grant Thornton seeks reimbursement pursuant to the Eleventh MFS. Copies of the actual invoices also are attached.

GT Invoice No.	Amount	Invoice Date	Service Period	Type of OCB Tax Services
954007801	\$4,921.25	8/16/22	June 2022 Compliance processed in July 2022; Review of May's invoices filed with June's returns due in July 2022	Sales and Use Tax Compliance Services
TOTAL	\$4,921.25			



Grant Thornton LLP
186 Wood Ave S # 4
Iselin, NJ 08830-2725

T 732.516.5500
F 732.516.5502
www.GrantThornton.com

This address should be used for correspondence only
For all payments, kindly use remittance instructions below

To: Purdue Pharma L.P.
201 Tresser Boulevard
Stamford, CT 06901-3431

Date: August 16, 2022

Bill Number: 954007801

Client-Assignment Code: 0200102-00016

Sales & Use Tax Compliance & Invoice Review June's 2022 Compliance
processed in July 2022

COMPLIANCE TOTAL	\$	1,910.00
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Review of May's Invoices filed with June's returns due in July 2022 (filed on a
one-month lag), notices & consulting

INVOICE REVIEW & CONSULTING TOTAL		3,011.25
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Total Amount of Bill:	\$	4,921.25
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Terms: As agreed upon
Federal ID No. 36-6055558